

OPINION
51-184

April 18, 1951 (OPINION)

TAXATION

RE: Nonprofit Incorporated Liquor Outlets in Cities

You state in your letter of April 16, 1951, that the question of the taxability of income and physical properties of nonprofit incorporated liquor outlets which have been substituted in a number of cities for the municipal liquor stores has been reopened by representatives of the League of Municipalities.

It is the opinion of this office that a corporation organized for the purpose of selling intoxicating liquor, although its profits or net income are donated to a municipality, which is itself exempt from payment of any tax, is not exempt from either the income tax or the general property tax.

Corporations organized and existing in various municipalities to take the place of municipal liquor stores are not organized within the intent, meaning, and purpose of the law for charitable purposes.

The fact that a corporation, organized for the purpose of selling groceries or farm machinery, gives its net earnings to a church or school, or to a charitable institution, does not make such corporation a charitable corporation. No one would contend, for example, that a corporation organized to sell liquor, and which gives its net earnings to a church, is a religious corporation.

We thereby reaffirm the attorney general's opinion issued on October 29, 1946, which you have called to our attention.

ELMO T. CHRISTIANSON

Attorney General